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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 12, 2000

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

CASE NO. SEC000005

MUTUAL BENEFITS CORPORATION,
Defendant

ORDER DENYING MOTIONS

On April 10, 2000, Defendant Mutual Benefits Corporation ("MBC") filed in this case three motions styled "Motion of Mutual Benefits Corporation Craving Oyer With Regard to Underlying Insurance Policies", "Motion of Mutual Benefits Corporation to Strike the First Page of Exhibit C to the Amended Rule to Show Cause" and "Motion of Mutual Benefits Corporation to Dismiss Amended Rule to Show Cause", and briefs in support thereof. The Staff filed responses to each MBC motion. Upon consideration of said motions and responses, the Commission is of the opinion and finds:

(1) The Motion of Mutual Benefits Corporation Craving Oyer With Regard to Underlying Insurance Policies is denied as it seeks discovery from Staff which is impermissible under Rule 6:4 of the Commission's Rules of Practice and Procedure.

(2) The Motion to Strike the First Page of Exhibit C to the Amended Rule to Show Cause is premature and therefore is denied.

(3) The Motion of Mutual Benefits Corporation to Dismiss Amended Rule to Show Cause as said motion as to Arguments I labeled "'Viatical Settlements' Are Not Securities", Argument II, labeled "Sales of Viatical Purchase Contracts Are Not Sales of Securities", Argument IV, labeled "The Amended Rule Shows That Purchasers Were Clearly Advised in Writing About The Nature and Alleged Risks of Their Contracts", second Argument IV, labeled "The Transactions Are Exempt Under the Virginia Securities Act", and Argument VI, labeled "14 VAC 5-71-10 D Does Not Apply To At Least 82 of the 87 Alleged Transactions and No Cause of Action Stated As To the Other Transactions", demonstrate the existence of questions of fact to be tried and therefore are denied.

(4) The Motion to Dismiss the Amended Rule to Show Cause as to Argument V, labeled "The Rule is Barred in Whole or Part by the Statute of Limitations" provides an inadequate basis for ruling and therefore is denied.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Mutual Benefits Corporation, c/o Joel F. Brenner, Storch & Brenner LLP, 1001 Connecticut Avenue, N.W., Washington, D.C. 20036.